

DEPARTMENT OF WORKFORCE DEVELOPMENT  
DIVISION OF WORKFORCE SOLUTIONS  
ADMINISTRATOR'S MEMO SERIES

☐ ACTION  
☒ NOTICE 06-06

ISSUE DATE: 05/05/2006  
DISPOSAL DATE: 06/30/2008

\*PROGRAM CATEGORIES:

<input type="checkbox"/> AS	<input type="checkbox"/> FM	<input type="checkbox"/> ML	<input type="checkbox"/> TR
<input type="checkbox"/> CC	<input type="checkbox"/> FL	<input type="checkbox"/> NA	<input type="checkbox"/> W-2
<input checked="" type="checkbox"/> CS	<input type="checkbox"/> IT	<input type="checkbox"/> RA	<input type="checkbox"/> WIA
<input type="checkbox"/> CF	<input type="checkbox"/> JC	<input type="checkbox"/> TC	
<input type="checkbox"/> CR	<input type="checkbox"/> LM	<input type="checkbox"/> TA	

**To:** Child Support Agency Directors

**From:** Bill Clingan /s/  
Division Administrator

**RE:** CALENDAR YEAR 2007 CHILD SUPPORT ALLOCATIONS - PRELIMINARY NOTICE

## PURPOSE

This memo provides child support agencies with preliminary allocation information for Calendar Year (CY) 2007 to assist county child support agencies (CSAs) in their budgeting process. This memo provides estimates of performance based-allocations, child support federal matching funds, and projected medical support liability incentives. See attachment.

## BACKGROUND

In discussions with the Child Support Policy Advisory Committee (PAC) contract subcommittee, the Department estimates CY 2007 performance funding allocations in the amount of \$12,975,000. The allocation of those funds is shown on the attachment. This estimate is subject to change and the actual allocation will be based on the actual federal incentive award for FFY 2005 which will be made later this year. The final allocations for CY 2007 will be increased or decreased based on actual child support incentive revenues and other adjustments to the estimate.

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\* PROGRAM CATEGORIES:

AS--Apprenticeship Standards	FM--Financial Management Requirements	ML--Migrant Labor	TR--Transportation
CC--Child Care	FL--Foreign Labor Certification	NA--Native American Services	W-2--Wisconsin Works
CS--Child Support	IT--IT Systems	RA--Refugee Assistance	WIA--Workforce Investment Act
CF--Children First	JC--Job Center	TC--Tax Credit Programs	
CR--Civil Rights	LM--Labor Market Information	TA--Trade Assistance	

## **ADJUSTMENTS TO THE ESTIMATE**

Under an agreement with the contract committee and DWD, if the actual incentives available for CY 2007 are less than \$12.975 M, the reduction up to \$150,000 will be deducted from Milwaukee's allocation.

Reductions in excess of \$150,000 will be deducted from allocations based on county size and caseload size, as follows:

- The three Smallest CSAs, Iron, Pepin and Florence, will receive a minimum of \$12,000 each.
- The agencies in the Small, Medium and Large sizes, CSAs will receive an equal amount per case representing approximately 45% of the available funding.
- Extra Large agencies will receive an equal amount per case representing approximately 24% of the available amount.
- Milwaukee County will receive a lesser amount per case representing approximately 31% of the available amount.

In determining the per-case allocations, DWD may adjust the case counts to eliminate certain cases that are eligible for case closure on July 1, 2006.

## **CHILD SUPPORT MATCHING FUNDS (FEDERAL)**

Historically, federal matching funds (FFP) at a sixty-six percent (66%) match rate were paid to states for amounts expended from incentive payments. Under the recently enacted 2005 Deficit Reduction Act, the federal match for state incentive funds will end effective October 1, 2007.

Although the Office of Child Support Enforcement has not issued final instructions on the federal procedures to end the federal match for child support incentives, this Administrator's Memo projects that the three-quarters of the CY 2007 allocations will be eligible for sixty-six percent FFP (see attachment-Column B and C). The remaining twenty-five percent (25%) of the CY 2007 allocation will not be federally matched and will be used by county child support agencies to offset child support program expenditures dollar for dollar. Total reimbursement is shown in Column E "Total Perf Based Alloc & Match". The Department will issue instructions for CORE reporting later this year.

County Child Support Agencies will continue to receive sixty-six percent federal matching funds for county funds when the performance funds on both Column B and Column D are exhausted. In other words, county levy spent on the child support program will continue to receive federal match (FFP) at the sixty-six rate.

## **PERFORMANCE BASED ALLOCATION (STATE)**

The Performance-based allocation is contract controlled. The amount provided in the attachment shows the loading/contract amount that may be earned under the CY 2007 contract. The final contract amount will be measured by performance standards. Information regarding performance standards for CY 2007 will be communicated in the future Administrator's Memos.

## **ADVANCES**

There will be no advance on both state and federal administrative funds effective January CY2007.

## **MEDICAL SUPPORT LIABILITY (MSL) INCENTIVES**

The monthly estimated Medical Support Liability (MSL) incentive payment to be made to agencies in CY 2007 will be one-twelfth of the earned MSL incentive amount for FFY 2005. The monthly amount is indicated on the attachment Column G. The methodology used has not changed from last year. There will continue to be an annual MSL adjustment to reconcile estimated incentives with earned incentives.

Agencies may request a modification of the monthly MSL payment. Requests for modifications should be directed to the Child Support Area Administrator and must include a justification that results in at least a five percent change (positive or negative) in Medical Support Liability estimate. Adjustments will be reflected in the first available payment month following approval. Any agency requesting a modification will be notified in writing of the revised MSL payment amount, or the reason for the denial of the modification request.

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ATTACHMENT